

Message Text

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SUBJECT: TRADE COMPLAINT: NON-COMPLIANCE WITH AUSTRIAN GOA PURCHASING
REGULATIONS BY U.S. COMPANY

1. ON DECEMBER 22, 1975, AUSTRIAN BUNDESAMT FUER ZIVILLUFTFAHRT
(FEDERAL CIVIL AVIATION OFFICE), SCHNIRCHGASSE 9, A-1030 WIEN,
PLACED AN ORDER WITH U.S. FIRM HARRIS CORPORATION, P.O. BOX 37,
MELBOURNE, FLORIDA, FOR A LASERFAX PHOTOGRAPHIC RECORDER
MODEL 850 APT/WEFA INCLUDING SPARE PARTS, ETC. AT U.S.\$17,013.
ORDER STIPULATED DELIVERY AND PAYMENT CONDITIONS (12 MONTHS
WARRANTY, 120 DAY DELIVERY TIME, PAYMENT UPON DELIVERY AND
RECEIPT INVOICE, ETC.) IN ACCORDANCE WITH AUSTRIAN GOVERNMENT
PURCHASING REGULATIONS. U.S. FIRM OBJECTED TO 12 MONTHS
WARRANTY BUT NOT TO ANY OTHER TERMS. AUSTRIAN ANXIOUS TO
GET EQUIPMENT AGREED TO A GUARANTEE PERIOD OF THREE MONTHS
POINTING OUT, HOWEVER, THAT THIS WAS AN EXCEPTION WHICH COULD
NOT BE MADE IN CASE OF FUTURE ORDERS.

2. SUBSEQUENTLY AUSTRIAN FEDERAL CIVIL AVIATION OFFICE WAS
NOTIFIED BY INTERBANK, VIENNA, AS HARRIS' COLLECTION AGENT,
THAT EQUIPMENT HAD ARRIVED AND THAT UPON PAYMENT THE
PAPERS FOR CUSTOMS CLEARANCE WOULD BE HANDED OVER.
SINCE UNDER AUSTRIAN GOVERNMENT PURCHASING REGULATIONS,
ADVANCE PAYMENT IS NOT POSSIBLE AND SINCE SUCH A PROCE-
DURE WAS CONTRARY TO TERMS STIPULATED IN ORDER, FEDERAL
CIVIL AVIATION OFFICE INFORMED U.S. COMPANY BY TELEX
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THAT SHOULD COMPANY NOT BE IN THE POSITION TO MAKE

DELIVERY IN ACCORDANCE WITH TERMS OF ORDER BY JULY 30, FEDERAL CIVIL AVIATION OFFICE WOULD REFUSE TO ACCEPT SHIPMENT AND WOULD NEITHER PAY ANY COSTS OF RETURNING SHIPMENT TO U.S. STORAGE, ETC.

3. AS A RESULT OF ABOVE INCIDENT, AUSTRIAN FEDERAL CIVIL AVIATION OFFICE NOTIFIED EMBASSY THAT IN THE FUTURE NO ORDERS WILL BE PLACED WITH U.S. COMPANIES WHICH WILL NOT MEET AUSTRIAN AND/OR EUROPEAN DELIVERY TERMS.

4. AUSTRIAN CIVIL AVIATION AUTHORITIES PARTICULARLY RESENTED USE OF A COLLECTION AGENCY VIS-A-VIS AN AUSTRIAN GOVERNMENT AGENCY. EMBASSY WOULD APPRECIATE THE DEPARTMENT USING ITS INFLUENCE IN HAVING HARRIS SUBMIT TO AUSTRIAN PAYMENT CONDITIONS NOT ONLY WITH A VIEW TO THE CURRENT BUSINESS TRANSACTION BUT RATHER TO PREVENT DETERIORATION OF RELATIONS BETWEEN AUSTRIAN AGENCIES AND U.S. FIRMS IN GENERAL. IT MUST BE BORNE IN MIND THAT THE AUSTRIAN FEDERAL CIVIL AVIATION OFFICE IS IN THE PROCESS OF AUTOMATING ITS AIR TRAFFIC CONTROL SYSTEM, A MULTI-MILLION PROJECT, WHICH COULD OFFER EXCELLENT BUSINESS OPPORTUNITIES FOR U.S. COMPANIES.

5. COPIES OF ORDER AND RELEVANT CORRESPONDENCE WITH ENGLISH TRANSLATIONS FOLLOW UNDER SEPARATE COVER. TRINKA

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